



JAMES A. NOYES, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
www.ladpw.org

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

September 26, 2002

IN REPLY PLEASE

REFER TO FILE: **FI-4**

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

### **FINAL ACCEPTANCE OF PUBLIC WORKS' FINANCIAL ACCOUNTING SYSTEM (FAS) ALL SUPERVISORIAL DISTRICTS 3 VOTES**

**CIO RECOMMENDATION: APPROVE ( ) APPROVE WITH MODIFICATION ( )  
DISAPPROVE ( )**

### **IT IS RECOMMENDED THAT YOUR BOARD:**

Approve the final acceptance of the completed FAS system installation and implementation under the provisions of the FAS Agreement with KPMG Consulting.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

This action is to obtain Board acceptance of the FAS system installation and implementation under the provisions of the FAS Agreement. All deliverables pursuant to the FAS Agreement are completed. Included as an enclosure is the Final Acceptance Sign-off Report as required by the FAS Agreement and signed by KPMG Consulting and the Director of Public Works.

In August 1997, the FAS Agreement was awarded to KPMG Peat Marwick to implement an integrated financial accounting system for the Department of Public Works at a cost of \$3,959,750, plus \$1,080,000 for ten years of basic maintenance support for the baseline software. Your Board approved additional amounts of \$200,000 in June 1998 and \$450,000 in December 1999 for programming assistance. In June 2002, \$2,424,250 for expanded maintenance and optional support services through 2009 was also approved.

FAS was implemented on July 1, 1999, and the system has functioned successfully since that time as illustrated by three successful fiscal year-end closings and numerous internal and external audits that have been absent any material adverse findings.

FAS was needed to improve our financial information, continue efforts to migrate our computer systems from a mainframe to a client/server environment, and to make our financial system Year 2000 (Y2K) compliant. The system replaced four stand-alone systems (Financial, Inventory, Labor, and Fixed Assets), as well as introduced two additional integrated functional modules (Purchasing and Budget) to Public Works.

Final project acceptance was delayed due to the need to modify the software to conform system response time to contractual requirements and to incorporate into the software certain functionality and process improvements. The system is stable and is performing as specified in the Contract. The contractor's extended response time warranty is in effect until 12 months after final system acceptance. All Agreement deliverables have been completed.

### **Implementation of Strategic Plan Goals**

The acceptance of the completed FAS Agreement is consistent with the County's Strategic Plan goals of service excellence, fiscal responsibility, and organizational effectiveness since FAS provides better information for decision-making purposes and increases efficiencies in transaction processing and services.

### **FISCAL IMPACT/FINANCING**

FAS was implemented under budget with funding previously approved by your Board. A final payment of approximately \$77,000 will be made to the contractor upon Board approval.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Chief Information Officer has reviewed this final acceptance and concurs with the recommendation.

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### **CONTRACTING PROCESS**

Final acceptance of the FAS Agreement will constitute the completion of the contracting process.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Final acceptance of the FAS Agreement by your Board will ensure the closeout of the contract pursuant to its provisions.

### **CONCLUSION**

Please return two approved copies of this letter to Public Works.

Respectfully submitted,

Reviewed by:

JAMES A. NOYES  
Director of Public Works

JON W. FULLINWIDER  
Chief Information Officer

DD:tao  
FASACCEPTANCE

Enc. (1)

cc: Chief Administrative Office  
County Counsel  
Chief Information Office